

Tennessee Revenue Estimates
Fiscal Years 2004-05 and 2005-06

Presented to
Tennessee State Funding Board

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April 26, 2005

SCHEDULE SHOWING 2004-05 AND 2005-06 REVENUE ESTIMATES FOR ALL FUNDS
BY FISCAL REVIEW STAFF - ACCRUAL COLLECTIONS

REVENUE SOURCE	FRC STAFF ESTIMATES	% INC. (DEC.) OVER FY03-04	FRC STAFF ESTIMATES	% INC. (DEC.) OVER FY04-05	FRC STAFF ESTIMATES	% INC. (DEC.) OVER FY04-05
	FY04-05	FY03-04	FY05-06	FY04-05	FY05-06	FY04-05
SALES & USE TAX	\$6,078,080,000	4.6 ²⁾	\$6,357,672,000	4.6	\$6,357,672,000	4.6
GASOLINE TAX	599,327,000	--	599,327,000	--	599,327,000	--
MOTOR FUEL TAX	169,408,000	1.0	173,643,000	2.5	173,643,000	2.5
GASOLINE INSPECTION TAX	63,438,000	1.7	64,707,000	2.0	64,707,000	2.0
MOTOR VEHICLE REG. TAX	244,449,000	2.5	251,782,000	3.0	251,782,000	3.0
INCOME TAX	155,000,000	10.7	161,200,000	4.0	161,200,000	4.0
PRIVILEGE TAX ¹⁾	253,469,000	3.0	264,875,000	4.5	264,875,000	4.5
GROSS RECEIPTS TAX - TVA	213,649,000	5.38	217,922,000	2.0	217,922,000	2.0
GROSS RECEIPTS TAX-OTHER	19,334,000	18.0	20,107,000	4.0	20,107,000	4.0
BEER TAX	17,565,000	1.0	17,881,000	1.8	17,881,000	1.8
ALCOHOLIC BEVERAGE TAX	36,955,000	3.5	37,879,000	2.5	37,879,000	2.5
FRANCHISE & EXCISE TAX	1,290,000,000	7.7 ⁴⁾	1,335,150,000	3.5 ⁵⁾	1,335,150,000	3.5
INHERITANCE TAX	90,000,000	(0.79) ⁶⁾	92,700,000	3.0	92,700,000	3.0
TOBACCO TAX	118,900,000	(0.66)	120,089,000	1.0	120,089,000	1.0
MOTOR VEHICLE TITLE FEES	11,510,000	2.0	11,740,000	2.0	11,740,000	2.0
MIXED DRINK TAX	42,604,000	4.5	44,521,000	4.5	44,521,000	4.5
BUSINESS TAX	98,800,000	4.08	102,554,000	3.8	102,554,000	3.8
SEVERANCE TAX	1,300,000	30.23	1,300,000	--	1,300,000	--
AMUSEMENT TAX	500,000	(36.28)	500,000	--	500,000	--
TOTALS - FRC STAFF EST.	\$9,504,288,000	4.51	\$9,875,549,000	3.91	\$9,875,549,000	3.91
F&A REVISED EST. FEB 2005	9,372,800,000	3.07	9,728,600,000	3.8	9,728,600,000	3.8
EST. OVERAGE COMPARED						
WITH F&A EST. OF FEB 2005						
ALL FUNDS	\$131,488,000		\$146,949,000		\$146,949,000	
GENERAL FUND	\$141,368,000		\$162,848,000		\$162,848,000	

*SEE APPROPRIATE FOOTNOTE ON ATTACHED PAGE

FOOTNOTES FOR SCHEDULE 1

- 1) PRIVILEGE TAX COLLECTIONS ARE REDUCED BY \$33,000,000 FOR FY05 AND FY06 FOR THE EARMARKED PORTION OF THE TAX.
- 2) THE 4.6% INCREASE REFLECTS AN ESTIMATED GROWTH RATE OF 5% FOR APRIL-JULY. THIS TAKES INTO ACCOUNT A GROWTH RATE OF 5.5% FROM DECEMBER 04 THROUGH MARCH 05.
- 3) THE 4.6% INCREASE ASSUMES THE GROWTH IN THE SALES TAX SINCE DECEMBER 2004 WILL CONTINUE IN FY06.
- 4) THE 7.7% INCREASE RECOGNIZES A 20.07% INCREASE IN COLLECTIONS FOR THE FIRST EIGHT MONTHS OF FY05 AND ASSUMES A 1% DECREASE IN COLLECTIONS OVER THE LAST FOUR MONTHS OF FY05.
- 5) THE ESTIMATED 3.5% INCREASE ASSUMES CONTINUED GROWTH IN F&E TAXES.
- 6) THE 0.79% DECREASE REFLECTS A SURPLUS OF \$4,000,000 OVER ORIGINAL BUDGETED ESTIMATES FOR AUGUST-MARCH 05 AND ASSUMES COLLECTIONS FOR THE LAST FOUR MONTHS OF FY05 WILL BE ABOUT THE SAME AS THE LAST FOUR MONTHS OF FY04.

**SCHEDULE SHOWING FISCAL REVIEW STAFF
REVENUE ESTIMATES FOR ALL FUNDS AND THE
GENERAL FUND FOR FISCAL YEAR 2004-05**

REVENUE SOURCE	ALL FUNDS	GENERAL FUND
SALES & USE TAX	\$6,078,080,000	\$5,816,115,000
GASOLINE TAX	599,327,000	11,088,000
MOTOR FUEL TAX	169,408,000	3,151,000
GASOLINE INSPECTION TAX	63,438,000	18,625,000
MOTOR VEHICLE REGISTRATION TAX	244,449,000	47,765,000
INCOME TAX	155,000,000	120,621,000
PRIVILEGE TAX	253,469,000	253,469,000
GROSS RECEIPTS TAX - TVA	213,649,000	127,570,000
GROSS RECEIPTS TAX - OTHER	19,334,000	16,428,000
BEER TAX	17,565,000	12,044,000
ALCOHOLIC BEVERAGE TAX	36,955,000	31,146,000
FRANCHISE & EXCISE TAX	1,290,000,000	1,147,000,000
INHERITANCE TAX	90,000,000	90,000,000
TOBACCO TAX	118,900,000	118,900,000
MOTOR VEHICLE TITLE FEES	11,510,000	8,810,000
MIXED DRINK TAX	42,604,000	23,816,000
BUSINESS TAX	98,800,000	98,800,000
SEVERANCE TAX	1,300,000	520,000
AMUSEMENT TAX	500,000	500,000
TOTAL	\$9,504,288,000	\$7,946,368,000
GENERAL FUND INCREASE OVER ACTUAL FY03-04		\$362,795,800

**SCHEDULE SHOWING FISCAL REVIEW STAFF
COMPARISON OF 2004-05 GENERAL FUND ESTIMATES**

	F&A	FRC	FRC
	Feb-05	STAFF	OVERAGE
TAX	ESTIMATES	ESTIMATES	(SHORTAGE)
SALES	\$5,771,400,000	\$5,816,115,000	\$44,715,000
GASOLINE	11,300,000	11,088,000	(212,000)
MOTOR FUEL	3,200,000	3,151,000	(49,000)
GAS INSPECTION	18,700,000	18,625,000	(75,000)
MOTOR VEHICLE REG	47,900,000	47,765,000	(135,000)
INCOME	113,300,000	120,621,000	7,321,000
PRIVILEGE	250,700,000	253,469,000	2,769,000
GROSS RECEIPTS - TVA	129,100,000	127,570,000	(1,530,000)
GROSS RECEIPTS - OTHER	14,700,000	16,428,000	1,728,000
BEER	12,000,000	12,044,000	44,000
ALCOHOLIC BEVERAGE	31,100,000	31,146,000	46,000
FRANCHISE & EXCISE	1,063,500,000	1,147,000,000	83,500,000
INHERITANCE	85,000,000	90,000,000	5,000,000
TOBACCO	120,900,000	118,900,000	(2,000,000)
MOTOR VEHICLE TITLE FEES	8,600,000	8,810,000	210,000
MIXED DRINK	23,700,000	23,816,000	116,000
BUSINESS	98,700,000	98,800,000	100,000
SEVERANCE	400,000	520,000	120,000
AMUSEMENT	800,000	500,000	(300,000)
TOTAL	\$7,805,000,000	\$7,946,368,000	\$141,368,000
FRC STAFF GEN FUND EST. COMPARED WITH FEB 05 EST:			FRC OVERAGE (SHORTAGE)
SALES	\$5,771,400,000	\$5,816,115,000	\$44,715,000
FRANCHISE & EXCISE	1,063,500,000	1,147,000,000	83,500,000
ALL OTHER TAXES	970,100,000	983,253,000	13,153,000
TOTAL	\$7,805,000,000	\$7,946,368,000	\$141,368,000

**SCHEDULE SHOWING FISCAL REVIEW STAFF REVENUE ESTIMATES FOR ALL FUNDS
AND THE GENERAL FUND
FISCAL YEAR 2005-06**

	ALL FUNDS	GENERAL FUND
REVENUE SOURCE	FY05-06	FY05-06
SALES & USE TAX	\$6,357,672,000	\$6,084,928,000
GASOLINE TAX	599,327,000	10,968,000
MOTOR FUEL TAX	173,643,000	3,247,000
GASOLINE INSPECTION TAX	64,707,000	19,011,000
MOTOR VEHICLE REGISTRATION TAX	251,782,000	49,124,000
INCOME TAX	161,200,000	125,462,000
PRIVILEGE TAX	264,875,000	264,875,000
GROSS RECEIPTS TAX - TVA	217,922,000	130,121,000
GROSS RECEIPTS TAX - OTHER	20,107,000	17,123,000
BEER TAX	17,881,000	12,386,000
ALCOHOLIC BEVERAGE TAX	37,879,000	31,936,000
FRANCHISE & EXCISE TAX	1,335,150,000	1,178,850,000
INHERITANCE TAX	92,700,000	92,700,000
TOBACCO TAX	120,089,000	120,089,000
MOTOR VEHICLE TITLE FEES	11,740,000	9,040,000
MIXED DRINK TAX	44,521,000	24,914,000
BUSINESS TAX	102,554,000	102,554,000
SEVERANCE TAX	1,300,000	520,000
AMUSEMENT TAX	500,000	500,000
TOTAL	\$9,875,549,000	\$8,278,348,000
GENERAL FUND INCREASE OVER FRC ESTIMATE FOR FY04-05		\$331,980,000

COMPARISON OF 2005-06 GENERAL FUND ESTIMATES

	F&A	FRC	FRC
	FEB 05	STAFF	OVERAGE
TAX	ESTIMATES	ESTIMATES	(SHORTAGE)
SALES	\$6,032,800,000	\$6,084,928,000	\$52,128,000
GASOLINE	11,300,000	10,968,000	(332,000)
MOTOR FUEL	3,300,000	3,247,000	(53,000)
GAS INSPECTION	19,100,000	19,011,000	(89,000)
MOTOR VEHICLE REG	49,300,000	49,124,000	(176,000)
INCOME	119,000,000	125,462,000	6,462,000
PRIVILEGE	263,200,000	264,875,000	1,675,000
GROSS RECEIPTS - TVA	130,700,000	130,121,000	(579,000)
GROSS RECEIPTS - OTHER	15,500,000	17,123,000	1,623,000
BEER	12,400,000	12,386,000	(14,000)
ALCOHOLIC BEVERAGE	31,700,000	31,936,000	236,000
FRANCHISE & EXCISE	1,078,300,000	1,178,850,000	100,550,000
INHERITANCE	89,300,000	92,700,000	3,400,000
TOBACCO	122,100,000	120,089,000	(2,011,000)
MOTOR VEHICLE TITLE FEES	8,800,000	9,040,000	240,000
MIXED DRINK	24,900,000	24,914,000	14,000
BUSINESS	102,600,000	102,554,000	(46,000)
SEVERANCE	400,000	520,000	120,000
AMUSEMENT	800,000	500,000	(300,000)
TOTAL	\$8,115,500,000	\$8,278,348,000	\$162,848,000